

Minutes

Meeting: Customer Engagement Forum

Date: 15 September 2015

Time: 15.15 – 17.15

Location: Kingsgate Centre, Peterborough

Present:

- . Bernard Crump - Chair (M)
- . Adam Lines, Environment Agency (M)
- . Steve Grebby, CCWater (M)
- . Gareth Dalglish, Natural England (M)
- . Gill Holmes, CCWater (M)
- . Stephen Meek (M)
- . Simon Moore, Citizen Advice (visitor)
- . Jeremy Hawkins, Halcrow (O)
- . Peter Simpson (O)
- . Jean Spencer, Anglian Water (O)
- . Martyn Oakley, Anglian Water (O)
- . Susan Fennah, Anglian Water (secretary role)

Apologies:

- . Martin Lord, CAB (M)
- . Richard Tunnicliffe, CBI (M)
- . Craig Bennett, Chair Environment & Climate Change Panel (M)
- . Peter Olsen, chair Hartlepool Panel (M)
- . Cllr. Davie, Lincolnshire County Council (M)

M = member O = observer

Item

Actions

Welcome and minutes of the last meeting

1. The minutes of the last meeting were agreed. Stephen Meek has agreed to join the CEF to provide economic expertise.

Reflections on stakeholder forum and next steps

2. The CEF felt that the stakeholder forum had been a valuable opportunity to explore future changes & opportunities facing the water sector with representatives from a wider range of sectors and perspectives. The discussion on approach to assurance had also been very helpful.
3. The CEF considered whether groups not currently members of the CEF should be invited to join e.g. agriculture and developers. These are represented on the Environment panel so it was felt to be sufficient at this stage.
4. The date for next September's event has been confirmed and the focus for that will be considered nearer the time.

Many Happy Returns Report

5. Simon Moore from Citizens Advice presented a summary of the findings from their recent report into the consumer impact of price controls in regulated networks. This explored returns in water and principles around incentives and reporting.
6. A discussion followed responding to some of the themes raised:
 - a. Comparability between companies – Peter Simpson reflected that Anglian Water’s outcomes had been set with their customers based on what customers said was important so it’s right that they are not comparable to other water companies who have based their ODI on their own customer priorities.
Simon Moore replied that the Citizens Advice wanted to see a mix of industry and bespoke targets.
Bernard Crump was keen to avoid a situation where a company in one part of the country gets a reward for example a level of performance on water quality that a company elsewhere in the country gets a penalty for. He felt that Ofwat had made changes so late in the day at PR14 which resulted in the link to willingness to pay being destroyed.
 - b. Returns – Bernard noted that Anglian Water had responded to requests in the last period to bring forward investment at shareholders expense.
 - c. Financeability- Bernard highlighted the importance of investors not being put off by poor rating agency reports.
 - d. Debt – Jean Spencer explained that debt is kept at fixed rates with some over 50 years. Ofwat sets the cost of capital based on embedded cost of debt, where there is a difference to the actual level seen, this is reset at the next price review and customers benefit.
 - e. Environment - Adam Lines noted that it was important to see environmental performance metrics and compliance. Peter Simpson highlighted that leakage and compliance on abstraction are not included in the metrics. They should feature as they are very important to the Anglian Water region although not so important elsewhere. Adam responded that a consultation on common methodology was planned in the future.

ODI update

7. Jean Spencer and Martyn Oakely presented an overview of ODI progress to date with a focus on Supply interruptions and SIM ODIs.
8. These ODIs had seen most change from the Final Business Plan to the Final Determination and so Jean and Martyn explained the measures and Anglian Water’s action plan to meet the commitments.

9. Further updates on ODI progress will be given at later meetings.

Assurance update

10. Bernard updated the group on the recent tendering process to appoint an independent assurance provider. He had been part of the appointing panel for this process which led to the appointment of Halcrow.
11. Jeremy Hawkins from Halcrow introduced himself and the wider team. He felt that Halcrows understanding of the history of the development of the plan will add value to the process and explained that they are happy to be directed on specific issues that the CEF wish to be explored. Halcrow will share the methodology and approach with CEF and may meet CEF without the company at appropriate points.
12. Jean Spencer updated the CEF that the risk assessment discussed at the last meeting is drafted and will be published shortly. Anglian Water to share with CEF when available.

Anglian
Water

Independent chair recruitment

13. Bernard and Jean updated the group that a recruitment process was underway for a new independent chair of the CEF. The aim is to appoint by the January 2016 meeting.
14. Susan explained that several recruitment agencies had been considered and, subject to satisfactory references, a preferred agency was soon to be appointed. The agency would advertise and headhunt suitable candidates based on terms of reference agreed by Bernard. The agency would shortlist to propose individuals to be interviewed by a panel comprising of Bernard, one or two members of the CEF and Alex Plant from Anglian Water.
15. Bernard updated the CEF that discussions were also underway on how to remunerate the chair independently from Anglian Water.

AOB and next meeting

16. The next meeting will be in January 2016.